



Taxi Industry Board

Strategic Plan 2009-2014

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Taxi Industry Board Strategic Plan

Introduction

This is a strategic plan to assist the Taxi Industry Board (TIB) to establish its direction and focus.

Purpose	<i>The role of the Taxi Industry Board is to lead the provision of independent and strategic advice to government on the further development and improvement of Perth's taxi services.</i>
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The TIB is keen to work with community, industry and government stakeholders in supporting the future development of the taxi industry within the context of a broader range of community transport options regulated by government.

Consultation, practical and evidence based policy advice plus a determination to support a sustainable taxi industry for the future are central to the approach the TIB will promote. A modern approach to standards, regulation and compliance activities will be developed to encourage owners, operators and drivers to strengthen the commercial framework of their businesses and to enhance the journey experience of the taxi customer.

While the TIB's initial focus will be on taxi operations in the metropolitan area it is anticipated that advice on rural and regional taxi and personal transport services will in time be considered to ensure a consistent statewide framework.

The Taxi Industry Board's vision for the future of the industry is for:

Vision	<i>A sustainable, innovative, personal transport option that meets the expectations of the community.</i>
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The plan identifies five principles that the TIB will seek to apply in its advisory role to the Minister for Transport.

Principles	<ul style="list-style-type: none"><i>A viable taxi industry that meets the needs of the consumer (flexible and adaptable to changing market conditions)</i><i>A taxi service that is provided by a competent driver in a safe (fit for purpose) vehicle</i><i>An industry that is a component part of the public transport system</i><i>An industry that takes responsibility for the performance of its members</i><i>An industry that is safe and secure for drivers and passengers</i>
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These principles have been developed in response to a range of strategic and operating challenges facing the taxi business here in Western Australia. They provide a framework in which best international, Australian and local experience can be considered to allow competitive market pressures to improve the customer experience and the business environment of the taxi industry.



Strategic Challenges

Taxis provide an important and valued transport option for community members and visitors to Western Australia. There are more than 23 million passenger trips per year.

The importance of the taxi industry to the community is demonstrated by the fact that it is the primary form of public transport in Perth after midnight - in particular on Friday and Saturday evenings.

Taxis are central in servicing traveller access to and from Perth airport. The Westralia Airports Corporation has recently reported that Perth experienced the highest air traveller growth rates of any Australia capital city airport, noting a 7.5% increase in passenger numbers for the 2009/2010 financial year. Over 10.4 million passengers travelled through Perth Airport during this period, an increase of 700,000 passengers over the previous financial year.

Many citizens also depend on taxis for regular medical appointments and other commitments where travel by private vehicle or regular public transport services is not feasible.

In the past seven years the taxi industry in the metropolitan area has expanded dramatically from 1113 taxis to almost 2000 vehicles now on the road.

Jobs Not Covered is the key level of service performance indicator for the industry (where a taxi is requested but does arrive). This capacity measure is currently at best levels since performance standards were introduced. *Taxi Waiting Time* is another key level of service performance indicator and records the average time a customer waits for a taxi once they have placed a call with the dispatch company. Taxi plate releases since 2004 have resulted in a significant improvement in taxi waiting time performance for both ASAP and called-ahead jobs. The improvement in waiting time performance has been most noticeable from late 2008.

Demand and a growing community

The Australian Bureau of Statistics has estimated that by June 30, 2025 the population of Perth will be approximately 2.229 million people up from 1.661 million at the end of 2010¹. In subsequent reporting the ABS noted that in the twelve months ending March 31, 2009 the State's population grew by 67,000 (annual growth of 3.1% against a national average of 2.1%). The ABS also estimates that Perth will continue to grow faster in percentage terms than any other Australian capital city.

	2010	2015	2020	2025
Perth Population (Projected)	1.661M	1.847M	2.037M	2.229M
Western Australia Population (Projected)	2.245M	2.479M	2.717M	2.953M
Perth Population % 65 years & Older	13.9%	15.5%	17.0%	18.3%
Western Australia Population % 65 years & Older	13.9%	15.9%	17.5%	19.2%

In the 15 years between 2010 and 2025 it is expected that the proportion of Perth's population aged 65 and over will increase from 13.9% of the population to 18.3%.

Keeping pace with demand, population growth and the changing age profile of the Australian community presents an important capacity planning challenge for the taxi industry and the policy frameworks applied by government. A substantial increase in the underlying market for driver assisted services such as taxis and other forms of public transport is in prospect.

¹ Source Australian Bureau of Statistics. [Population Projections, Australia, 2006 to 2101](#) (cat. no. 3222.0). B Series



Industry Capacity and Performance

Government is periodically required to approve increases in the number of licensed taxis to match growth or changes in consumer requirements.

Ensuring this is achieved in a timely, responsive and flexible manner for taxi users and with appropriate benefit outcomes for those who have invested in the business of taxi operation is a recurring policy challenge for government.

Opportunities for appropriate returns to taxi operators and drivers are important considerations in the way in which the size and nature of and operating environment of the taxi fleet is determined.

Improving Customer Experience

There is limited scope within the current regulatory framework for competitive market pressures to be used to improve the customer experience and performance of the taxi industry - reflecting a complex relationship between regulated fares, ownership or entry to the industry and service standards.

Characteristically, when a taxi business does not meet customer expectations the community expects the Government to “do something.” The present compliance framework targets driver and vehicle standards and does not necessarily address the business environment and its role in creating best customer experience of the taxi services and journeys.

Driver and Vehicle Standards

Monitored driver standards have declined over the last decade. In 2008, eight out of eleven driver standards were at the lowest level (or equal lowest level), seen over the life of the survey (2000 to 2008).

Vehicle standards have improved in recent times reflecting higher levels of on road compliance applied by the Passenger Services Business Unit. 5035 on road compliance inspections were completed in 2010. The inspections resulted in defect notices being issued to 17.35% of the inspected vehicles. 281 vehicles were required to be withdrawn from service for safety reasons during that year. These inspections were a marked increase on the 3163 inspection in 2009.

Improving Certainty in the Use of Taxis

The taxi industry provides a “best endeavours” service. Perth taxis do not offer **a guarantee of service** where a booking has been made in circumstances such as an early morning journey to the airport, travel to a medical appointment or other circumstances where timely arrival is required.

Customers using Multi Purpose Taxis can also experience extended waiting periods or not have a taxi service arrive at all.

Access and Viability within the Multi Purpose Taxi Sector

The existing cost and price structures within the Multi Purpose Taxi (MPT) sector provide limited incentives for improved customer service and provision of a more diverse range of passenger transport choices.



MPT Operators report that they are experiencing difficulties in maintaining their viability. The cost structures faced by the MPT industry are very different to the rest of the taxi industry. Industry experience is that available MPT plates are not taken up due to capital and operating costs.

The community now expects regulated standards for public transport (including taxis) to provide for equal or all abilities access.

Government's role in ensuring affordable access for those who rely on taxis for reasons of age, disability or infirmity remains a particular focus for appropriate industry regulation and support.

Objectives

Objectives (linked to the Taxi Industry Board's five principles) are set out below to focus reporting against the intent of the plan.

Principle	Objective
<i>A viable taxi industry that meets the needs of the consumer (flexible and adaptable to changing market conditions)</i>	<ol style="list-style-type: none">1. Services available within acceptable timeframes across the metropolitan area.2. Taxis available at ranks at major activity centres in the metropolitan area.3. A regulatory environment which allows Taxi operators and drivers to conduct a financially sustainable business / income.4. Good economic value for passengers and reasonable returns for service providers.
<i>A taxi service that is provided by a competent driver in a safe (fit for purpose) vehicle</i>	<ol style="list-style-type: none">5. Competent drivers across the taxi fleet - operating vehicles that are appropriate, clean, safe, efficient and easy to access.6. Competent drivers demonstrating their ability to meet / provide the customer service needs of their passengers.
<i>An industry that is a component part of the public transport system</i>	<ol style="list-style-type: none">7. Industry investment to meet increasing demand and changing customer and community expectations.8. Industry developed to augment and complement the RPT service in the Perth Metropolitan Area.
<i>An industry that takes responsibility for the performance of its members</i>	<ol style="list-style-type: none">9. Operates an effective Complaint Management System10. Adopts and applies approved Taxi Industry standards



Principle	Objective
<i>An industry that is safe and secure for drivers and passengers</i>	11. Community and industry acceptance of an appropriate level of safety regulation and minimum levels of economic regulation.

Initiatives

The plan seeks to make early progress on matters that government has indicated should receive priority attention.

In addition, the Board has identified a number of foundation actions or projects that will undergo evaluation or assessment before advice is provided to the Minister. Some are for resolution in the coming months – others will require more measured consideration and review across the next 2-3 years.

All will be the subject of consultation with the Taxi Industry Board Reference Group (TIBRG) and industry stakeholders. The Board will also look to the Passenger Services Unit within the Department of Transport for advice, servicing and support.

1. Reliable, accessible & timely services for all passengers

Priority	Initiative	Status
High	Facilitate the introduction of a guaranteed booking service for all customers.	Currently with the Department of Transport for progression.
Medium	Address capacity and safety solutions for rank services on Friday and Saturday nights and ensure that business demands during the week are met in a timely manner consistent with performance standards.	Monitoring operation of improvements to supervised ranks.
High	Review the cost structures faced by the wheelchair taxi industry, and determine measures required to improve the viability of this sector to provide for a viable and sustainable model of operation into the future.	Subcommittee appointed – see terms of reference – work continuing.

2. Vehicles and driver standards that meet customer expectations.

Priority	Initiative	Status
Medium	Develop best practice approaches to driver and vehicles standards and compliance with greater emphasis on industry self regulation.	TIB considering prior to consultation with TIBRG.
High	Encourage greater use of available technology, to improve passenger and driver security and to generally enhance the customer experience during journeys.	Supported decision by Government to introduce new cameras – installation proceeding.



3. Contemporary pricing and policy frameworks.

Priority	Initiative	Status
High	Review the policy and regulatory framework for taxis to enhance competition and the capacity of operators to innovate and meet market demand.	Subcommittee appointed – see terms of reference: <ul style="list-style-type: none">visits to other jurisdictions completedSubcommittee recommendations being assessed by TIB
High	Review options for future plate allocation and ownership.	As above – in the short to medium term recommended that all future plate releases be leased plates.
High	Review Fare Increase Model	Model reviewed and amended adjustments proceed.
Medium	Review appropriateness of fare level	TBD

4. A sustainable future for the taxi industry.

Priority	Initiative	Status
Medium	Encourage industry initiatives for the recruitment and retention of drivers to ensure the sustainability of the industry.	Subcommittee on Driver Competency appointed – see terms of reference.
Medium	Develop policy responses to address carbon reduction initiatives and opportunities as may be available in the taxi industry in the future.	TBD
Medium	TIDA – Strategic Use	TBD